

**xHARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 110  
MINUTES OF MEETING OF BOARD OF DIRECTORS**

**March 12, 2008**

**THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 110**

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The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 110 (the "District") met in **regular session**, open to the public, at the designated meeting place of the Board in the District on **March 12, 2008 at 6:00 p.m.**, whereupon the roll was called of the duly constituted officers and members of the Board, to-wit:

James N. Williams	-	President
Jeannie Satterwhite	-	First Vice President
Jerry A. Strickland	-	Second Vice President
Texas H. Stevens	-	Secretary
Tom Dowdy	-	Treasurer/Investment Officer

All members of the Board were present, thus constituting a quorum.

Also attending the meeting were Kay Divin, the District's General Manager; Art Gerzak, Project Manager for the District; John Davis of Langford Engineering, Inc. ("Langford"), Engineers for the District; Mary Jarmon of Myrtle Cruz, Inc. ("Myrtle Cruz"), Bookkeeper for the District; Cindy Oliver of Equi-Tax, Inc. ("Equi-Tax"), Tax Assessor for the District; Scott Spidle, Chris Zilko and Lindsay Cain of Southwest Water Company, Operator for the District ("SWWC"); Deputy Constable George Beck with Harris County Precinct No. 4; Bob Sordahl, Emmet Poindexter, and Therese Wilson, residents of the District; Tonya Farmer, PTO President at Lemm Elementary School; members of the public listed on the attached Attendance Sheet; and Maria Salinas Parker and Josh J. Kahn of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats|Rose"), Attorney for the District.

The meeting was called to order and the following business was conducted.

**HEAR FROM THE PUBLIC**

The Board recognized Ms. Farmer, who updated the Board on the funding for the construction of a walking trail at Lemm Elementary School. Ms. Farmer noted that she met with the Board of Directors for Harris Co. MUD No. 104 regarding the construction of such trail and they have agreed to pay 40% of the costs.

The Board next recognized Ms. Wilson, who updated the Board on the steps she has taken to promote recycling within Cypresswood Lakes. Ms. Divin then presented to and reviewed with the Board a draft of a flyer on the recycling program that she was going to have included in the District's next water bill. The Board noted that recycling will begin on May 1, 2008.

## **TAX ASSESSOR/COLLECTOR'S REPORT**

The Board recognized Ms. Oliver of Equi-Tax, who presented the Board with the Tax Assessor/Collector's Report, a copy of which is attached hereto and checks for payment from the District's Tax Account. Ms. Oliver noted that 93.2% of the District's 2007 taxes have been collected.

Upon motion duly made by Director Satterwhite and seconded by Director Stevens, the Board unanimously voted to approve the Tax Assessor/Collector's Report and to authorize the payment of checks listed therein.

## **OPERATOR'S REPORT**

The Board next recognized Ms. Cain, who presented to the Board the Operator's Report, a copy of which is attached hereto. Ms. Cain reported that the District has 2,239 connections, and a billed to pumped ratio for the prior month of 92.1%. Ms. Cain reported that there were no excursions at the wastewater treatment plant.

Upon motion made by Director Satterwhite and seconded by Director Stevens, the Board unanimously voted to approve the Operator's Report.

### **Termination of Water Service**

Consideration was then given to the termination of water service to certain accounts for failure to pay their water bills. At this time, Ms. Cain presented to the Board a list of terminations. The Board noted that there were no persons present at the meeting to protest their utility bills and/or the termination of water service to their property.

Upon motion made by Director Satterwhite and seconded by Director Stevens, the Board voted unanimously to authorize termination of water service with the assistance of a peace officer, if necessary, to the accounts listed in the Termination Report, a copy of which is attached hereto, and to authorize termination of service to those accounts for which payment was made by a check which was returned for non-sufficient funds.

## **BOOKKEEPER'S REPORT/INVESTMENT REPORT**

The Board next recognized Ms. Jarmon, who submitted to and reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto, and certain invoices for payment by the Board. Ms. Jarmon also presented the Board with signature cards for the District's new payroll account at JPMorgan Chase Bank.

Mr. Kahn reported that the District has received Texas Commission on Environmental Quality approval to reimburse Dr. B.J. Adkins and Sierra Venture I from surplus construction funds. Mr. Kahn then presented to and reviewed with the Board a copy of the Developer Reimbursement Audit prepared by the District's auditor, BKD, LLP, recommending reimbursement to Dr. B.J. Adkins in the amount of \$200,711.64 and to Sierra Venture I in the amount of \$212,949.74.

Upon motion made by Director Satterwhite and seconded by Director Stevens, the Board unanimously voted to (i) approve the Bookkeeper's Report, Investment Report, and the checks presented for payment, and to (ii) authorize reimbursement to Dr. B.J. Adkins in the amount of \$200,711.64 and to Sierra Venture I in the amount of \$212,949.74, as provided in the Developer Reimbursement Audit prepared by BKD, LLP.

## **AMEND BOOKKEEPER'S CONTRACT**

The Board next considered amending the District's bookkeeping services contract with Myrtle Cruz, Inc. Ms. Jarmon explained the proposed amendments to such contract.

After further discussion by the Board, upon a motion made by Director Strickland, seconded by Director Satterwhite, the Board unanimously approved the amendments to the District's bookkeeping services contract with Myrtle Cruz, Inc.

## **ENGINEERING/DEVELOPMENT REPORT**

The Board recognized Mr. Davis who presented the Engineering/Development Report. Mr. Davis noted that the District recently received a water and sewer service application for a beauty school adjacent to Conn's Appliances.

### **Portrait Homes/Parkside**

The Board noted there was no action to be taken on this matter.

### **Lakes of Cypress Forest and Cypress Forest Lakes**

The Board noted there was no action to be taken on this matter.

### **Haas Detention Pond**

Mr. Davis noted that both parties (Haas and Northwood Lincoln-Mercury) have agreed to pay for the maintenance of the detention pond. Ms. Divin noted that the initial clean-up of the detention pond in the amount of \$8,500.00 will be billed to Haas and Northwood Lincoln-Mercury directly and, thereafter, the annual maintenance will be pro-rated based on acreage (as found on the recorded plats for each tract) and will be included on the monthly water bills for each.

### **Inspection of Storm Sewer System**

Mr. Davis reported on the inspection of a portion of the District's storm sewer system on Enchanted Oaks. Mr. Davis noted that he would present such report to Harris County for them to include the necessary repairs on the County's maintenance schedule.

The Board noted there was no action to be taken on this item.

### **Repainting of Tanks at Water Plant No. 1**

Mr. Davis reminded the Board that at the meeting of January 17, 2008 that the Board awarded the contract for the Rehabilitation Project for Water Plant No. 1 to L.C. United Painting ("LC") in the amount of \$232,000.00. Mr. Davis stated that LC has mobilized on-site and should begin work in the next few days. The Board then discussed the color for the repainted storage tanks.

**Kings Village**

The Board noted that construction of Kings Village is underway.

**Fence for Wastewater Treatment Plant**

No action was taken on this item.

**Siding /Roof/ Bar Screen For Wastewater Treatment Plant**

Mr. Davis noted that he will have plans for this project for review at the District's next regular meeting and will seek authorization at such meeting to advertise for bids for such project.

**Maintenance Building**

Mr. Davis noted that the District has received comments from Harris County on the site plan for the maintenance building. Pursuant to such comments, the District will either have to pay impact fees for drainage or provide for drainage on-site. Mr. Davis noted that payment of the impact fees is the best alternative for the District as there is no room to provide for on-site drainage/detention.

Mr. Gerczak explained that once Harris County approves the site plan, an engineer will sign and seal the plans for the building that meet all necessary fire code and ADA requirements, etc. and then Mr. Gerczak will submit such plans to Harris County to acquire the building permit.

**Starbucks at Spring Park Village**

Starbucks is proceeding with construction of its facility at Spring Park Village.

**ATTORNEY'S REPORT**

The Board recognized Mr. Kahn, who presented the Attorney's Report.

**Approve Minutes of February 13, 2008, February 21, 2008 and February 28, 2008**

Proposed minutes of the meeting held February 13, 2008, February 21, 2008, and February 28, 2008, previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to approve the minutes from the meeting of February 13, 2008, as amended. The Board deferred approval of the minutes from the meetings of February 21, 2008 and February 28, 2008.

**Resolution Amending List of Authorized Brokers**

Consideration was then given to approval of a Resolution Amending List of Authorized Brokers. Mr. Kahn explained that the District's bookkeeper has provided an updated list of banks that the District could potentially invest funds with.

Upon motion made by Director Strickland, seconded by Director Stevens, the Board by unanimous vote approved the Resolution Amending List of Authorized Brokers.

There being no further business to come before the Board, upon motion duly made and seconded, the meeting was adjourned.

APPROVED THIS April 9, 2008.



Secretary, Board of Directors